

TREASURY NOTES.

FEBRUARY 10, 1893.—Referred to the House Calendar and ordered to be printed.

Mr. BACON, from the Committee on Banking and Currency, submitted the following

REPORT:

[To accompany H. R. 10422.]

The Committee on Banking and Currency, having had under consideration the bill referred to said committee (H. R. 10422) entitled "A bill in relation to Treasury notes issued under the act of July 14, 1890," respectfully report the same back to the House with the recommendation that it do pass.

Prior to June 8, 1872, there was issued by the United States Government only notes which were known to the law as United States notes and in common usage greenbacks. On the 8th of June, 1872, there was approved an act authorizing the national banking associations to deposit greenbacks with the Secretary of the Treasury and to receive therefor from him certificates payable to order, which certificates the banks were authorized to hold and treat as part of the reserve required by law to be kept by them. This law has remained in force ever since and has offered one method for use of these notes, which has given them a very valuable function.

Under the act of July 14, 1890, other Treasury notes were authorized to be issued in payment of silver bullion purchased, and these notes were payable in coin. By some oversight, however, no authority was given to the banks to deposit them, or to the Secretary of the Treasury to issue certificates of deposit therefor. The question having arisen whether the Secretary of the Treasury was authorized to receive the coin notes and give certificates of deposit for them, an opinion has been rendered by the Attorney-General that no such authority exists, and that the act of June 8, 1872, has no application to notes issued under the so-called Sherman act. In all other material respects the old greenback and the modern coin note possess the same attributes.

In the opinion of your committee, the failure to give the authority for this use of the coin notes was a mere oversight, and one which should be corrected for the purpose of producing entire uniformity in use and value of all Treasury notes.

The bill reported by your committee is, with the exception of the necessary changes, a copy of the act of June 8, 1892, except that the Secretary of the Treasury is directed to require that coin notes deposited under the act hereby reported shall not be mutilated, but shall be fit for circulation. This change is in the interest of the people and for the pur-

pose of facilitating the destruction of mutilated and soiled money, and the keeping of the United States currency at all times fresh and clean. It will, of course, be understood that for all mutilated notes returned to the Treasury for cancellation the law requires the issuing of new notes so that the volume of the currency will not from that course be in any way affected.

Your committee recommend, in the interests of uniformity in the value and attributes of notes issued by the Government of the United States, the passage of this bill.